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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

6 Jan 1961 ?

Dear Allen:

In accordance with the discussion of a few days ago I am transmitting my views concerning the Report of the Joint Study Group. Overall I think the recommendations contained in the Report are sound and I am in agreement with them except as indicated below. I recognize, of course, that many of these recommendations may not require Presidential approval for implementation; nonetheless I feel that it will be very much easier to carry them out if it is established that the President has endorsed the Report. Accordingly I would hope that we will, in the first instance, seek Presidential approval of the basic recommendations included in the Report.

I believe the President will want to take immediate steps to implement the Report. Certain of the recommendations merit a specific Presidential directive calling for immediate implementation whereas others can appropriately be achieved by the agencies themselves. Therefore, I propose, subject to the reservations below, that the President be requested to order immediate action on recommendations 1, 5, 7, 8, 15, 16, 21, 23, 24, 26 - 31, 34, 36, 37, and 40. The other recommendations, which I generally approve, can be put into effect without Presidential action although some of them may require study and refinement.

Specifically, however, I would offer the following general observations and reservations concerning the Report:

For some time there has been ambiguity concerning the precise authority of both the Director of Central Intelligence and the U. S. Intelligence Board in the management and coordination of the intelligence community. The Joint Study Group obviously felt that existing authority provides an adequate base on which to exercise more vigorous coordination. Whereas I tend to agree with this conclusion, I would not object to changing National Security Council Intelligence Directive No. 1 in order to provide clarification if you think it necessary. The objective of more positive coordination is desirable, in my opinion, and I would support whatever means are essential to achieve it, including particularly establishment of staff elements recommended in the Report.

As relates to coordination within the Department of Defense, it is here that I fear the possibility of serious difficulties.

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instructions apply.

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I am a firm advocate of ultimately having a single military intelligence service and believe that the sooner this can be achieved the better, both from the viewpoints of good intelligence as well as the most efficient utilization of limited resources. I had hoped the Report would explicitly refer to this as an ultimate objective; since it does not I would appreciate your indicating my feelings on it in the covering memorandum to the President. While a single military intelligence service cannot be achieved overnight, I would urge that the steps recommended in the Report for coordination be taken forthwith as steps toward this ultimate objective.

I realize that the independent services may feel distressed at losing their individual positions on the U. S. Intelligence Board. However, this would cause no serious concern if and when the Intelligence activities of the Department of Defense were reorganized to the full extent contemplated in the Defense Reorganization Act of 1958. The USIB should mirror the organizational responsibilities of the Department of Defense. I see no reason why military service intelligence components should continue indefinitely to have an independent voice in the high-level matters discussed at the USIB level.

The recommendations of the Joint Study Group seem to assume a functional split within the Department of Defense even after the Defense Reorganization Act of 1958 is fully implemented. Thus, there is proposed a focal point in the Office of the Secretary of Defense through which high-level policy matters related to intelligence and general guidance of the cryptologic agencies can be coordinated. At the same time the determination of requirements and the actual operational activity of our military forces, which military intelligence must serve, will be controlled through the Joint Chiefs of Staff mechanism. Ideally I should prefer having only a single spokesman for the Department of Defense. Nonetheless I recognize the need for representation on the USIB of representatives of both OSD and JCS to include both military policy and military operational viewpoints.

It is strongly urged that Presidential approval of the Report be subject to the understanding that the "focal point" in the Office of the Secretary of Defense have responsibility and authority to (1) recommend to the Secretary approval or adjustment of intelligence objectives; (2) review and approve requirements and (3) supervise the development of programs and appraise operations; exercise constant surveillance on intelligence costs in relation to results.

It is clear that the photographic intelligence business will in all likelihood expand in the years ahead. I believe that a

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National Photographic Intelligence Center having certain assigned responsibilities is essential to the effective use of total resources and think that such a center would most properly be placed under the administrative control of the Central Intelligence Agency. I have grave fears that the Air Force will continue to expand its own photographic interpreting efforts and that the end result could easily be the establishment of two huge centers. I would suggest, therefore, that during the period of developing a new National Security Council Intelligence Directive on photographic intelligence there also be resolved the clear assignment of responsibility to the CIA in order to keep duplication to an absolute minimum. My conclusions are based on the belief that in the long run photographic intelligence will have far more significance as a basic source of information of all kinds than the means to obtain early warning and other more limited types of intelligence desired by the Air Force.

These are my primary thoughts on the Report of the Joint Study Group. I hope that it will be possible to obtain Presidential endorsement of the recommendations before the President leaves office and furthermore that the new President will be apprised of it soon in order to gain his support for its continuing implementation.

Sincerely yours,



Honorable Allen W. Dulles
Director of Central Intelligence
Central Intelligence Agency
Washington 25, D. C.

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